

CHAPTER 90

DISCLOSURE OF NEW MOTOR VEHICLE REPAIRS

S.F. 418

AN ACT relating to disclosure of specified information in connection with new motor vehicle repairs.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. **321.69A Disclosure of repairs to new vehicles.**

1. *a.* A person licensed as a new motor vehicle dealer pursuant to chapter 322 shall not be required to disclose to a prospective or actual buyer or lessee of a new motor vehicle repairs of damage to or adjustments on or replacements of parts with new parts on the motor vehicle if all of the following are true:

(1) The repairs, adjustments, or replacements were made to achieve compliance with factory specifications.

(2) The actual cost of any labor or parts charged to or performed by the dealer for any such repairs, adjustments, or parts does not exceed four percent of the dealer's adjusted cost.

(3) The dealer posts in a conspicuous place notice that repairs, adjustments, or replacements will be disclosed upon request.

(4) The dealer discloses any such repairs, adjustments, or replacements upon request.

b. The provisions of this section take precedence over and shall supersede section 714.16, subsection 2, paragraph "a", unnumbered paragraph 4, and section 714H.4, subsection 2.

2. A person licensed as a new motor vehicle dealer pursuant to chapter 322 shall disclose in writing, at or before the time of sale or lease, to the buyer or lessee of a new motor vehicle that the vehicle has been subject to any repairs of damage to or adjustments on or replacements of parts with new parts if the actual cost of any labor or parts charged to or performed by the dealer for any such repairs, adjustments, or parts exceeds four percent of the dealer's adjusted cost. The written disclosure shall include the signature of the buyer or lessee and be in a form and in a format approved by the attorney general by rule. A dealer shall retain a copy of each written disclosure issued pursuant to this section for five years from the date of issuance.

3. As used in this section, "*dealer's adjusted cost*" means the amount paid by the dealer to the manufacturer or other source for the vehicle, including any freight charges, but excluding any sum paid by the manufacturer to the dealer as a holdback or other monetary incentive relating to the vehicle.

4. A violation of this section is an unlawful practice pursuant to section 714.16.

5. A violation of this section is a prohibited practice or act pursuant to section 714H.5.

Approved April 27, 2011